



To: City Councilors
CC: City Manager Ken Coleman
From: City Clerk Gail Davidson
Date: October 28, 2015
Re: Draft Ordinance No. 17

Councilors:

Since marijuana establishment licensing commenced on July 6, 2015, the City has approved two retail marijuana store licenses, scheduled two other retail marijuana store applications for public hearings and Staff is processing two other retail store applications.

I have received concerns from a couple of the applicants about the license/application fees charged by the City. Adopted Ordinance No. 5, Series 2015, states: "**8.50.020 Application and License Fee Required.** An applicant shall pay the City an application fee and license fee when the application is filed. City Council shall set these fees by Resolution." Resolution No. 12, Series 2015, sets the retail marijuana store license fee at \$2,000 and the application fee at \$2,500 for a total of \$4,500 due when the application is filed.

Colorado Revised Statutes also addressed fees to be paid. C.R.S. Section 12-43.4-501(2) reads: The application fee for a person applying pursuant to Section 12-32.4-104(1)(b) shall be five thousand dollars. **The state licensing authority shall transfer two thousand five hundred dollars of the fee to the marijuana cash fund and remit two thousand five hundred dollars to the local jurisdiction in which the license is proposed to be issued.** City Attorney Kathy Fogo examined the question regarding the City fees and drafted the attached ordinance. City staff is requesting consideration of the ordinance to clarify the required fees for City recreational marijuana establishment applicants. The City-adopted fee must be paid to the City at the time of application to the City. The State-required fee is an additional fee to be paid.

The applicant and licensing fees cover the many hours of staff time spent processing each application. Those costs include inspections of the premises, review of the site and building plans, local background checks, review by the City Attorney and City Clerk of the complete application packet, posting of the premises, publication of public hearing notices, and staff time spent correcting application deficiencies and inquiries from the applicant. Staff is requesting Council place Ordinance No. 17 on the next Regular Session meeting agenda for consideration to clarify the question of City-paid fees.

Thank you for your considering this clarification,
Gail Davidson, City Clerk